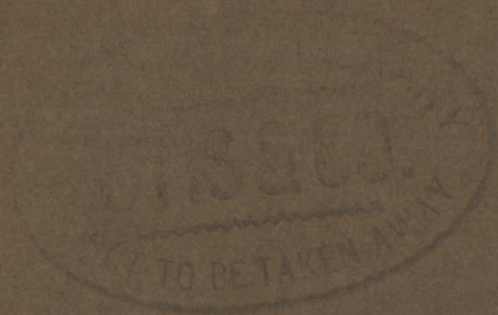


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CORPORATION FILE

JAN 9 1925



INTERNATIONAL SHOE Co.

MANUFACTURERS

1505 Washington Avenue

St. Louis, Mo.

NOVEMBER 30, 1924

BOARDS
Q 384.33
Indr

OFFICERS

JACKSON JOHNSON	Chairman of the Board
F. C. RAND	President
H. W. PETERS	Vice President
W. H. MOULTON	Vice President
HORTON WATKINS	Vice President
J. T. PETTUS	Vice President
C. D. P. HAMILTON	Vice President
THEODORE MORENO	Vice President
A. W. JOHNSON	Vice President
F. A. SUDHOLT	Treasurer
D. E. WOODS	Secretary
B. A. GRAY	Auditor

DIRECTORS

H. R. GREEN	F. C. RAND
P. B. JAMISON	C. REESE, JR.
H. E. JENKINS	H. C. STRIBLING
A. W. JOHNSON	F. A. SUDHOLT
JACKSON JOHNSON	S. M. TIPTON
T. MORENO	GRIFFIN WATKINS
W. H. MOULTON	HORTON WATKINS
E. H. PETERS	C. A. WEST
H. W. PETERS	D. E. WOODS
J. T. PETTUS	

ST. LOUIS, MO., December 29th, 1924.

TO OUR STOCKHOLDERS:—

Financial report showing the results of the International Shoe Company's operations for the fiscal year ending November 30th, 1924 is enclosed herewith.

The Company's net sales to customers for fiscal year ending November 30th, 1924 were \$110,240,651.27.

Our subsidiary plants (such as, tanneries of sole leather and upper leather, carton and box factories, heel factories, chemical, rubber cement, etc.), produced, during 1924, shoe materials and shoe supplies amounting to \$44,517,839.98 which combined with our sales made an aggregate of \$154,758,491.25 business transacted.

Net earnings (after taxes) for the fiscal year were \$13,060,795.22.

Many economies result from the operation of our subsidiary plants. They are run solely for our own consumption and furnish to our shoe factories materials and supplies of superior quality and at prices below those of the open market.

The Company has recently bought from C. C. Smoot & Sons, a sole leather tannery located at North Wilkesboro, North Carolina. This, in the opinion of your officers and directors, will prove a valuable adjunct to our tanning industry.

The Mark Twain Rubber Tire Plant at Hannibal, Missouri, has been lately purchased. The plant was built about three years ago and is equipped with a line of modern machinery. It is a well constructed building, in good physical condition and well adapted for making rubber heels. It will be used for this purpose as soon as the special machinery necessary for making rubber heels can be installed.

Plans are now being drawn and work will soon begin on the construction of a shoe factory at Perryville, Missouri. This factory will produce about 3000 pairs of shoes daily. It will give to the Company a total manufacturing capacity of 180,000 pairs of shoes per day.

The Company is diligently striving to improve the quality of its merchandise and at the same time sell its product to its customers at attractive prices.

Our shoe prices for 1924 were lower than in 1923. The reduction in prices applied to 1924 shipments amounted to approximately \$5,000,000.00, or about

4½% on our net sales. This difference made it increasingly difficult to show a gain in volume of shipments for the year. It is therefore gratifying to inform you that shipments for 1924 were \$317,913.09 greater than last year's shipments. The number of pairs shipped in 1924 were greatly in excess of any other year and bears testimony to the increasing popularity of our shoes.

In view of the satisfactory operating results and financial condition of the Company, your directors felt warranted in voting an increase in the annual dividend on the common stock from \$4.00 to \$5.00 per share. Commencing January 1, 1925, the increased dividend will be paid quarterly at the rate of \$1.25 per share.

From several standpoints, 1924 is of unusual interest—it not only set a new high standard in volume of sales and in earnings, but despite the disconcerting influence of a presidential election, when buying generally lagged, our organization found itself and showed an unparalleled spirit of co-operation and accomplishment.

The growth of the Company should be constant and continuous. Sound economic principles, free from speculative tendencies, are being followed and we look forward with conservative optimism to a good year in 1925.

Respectfully Submitted,

INTERNATIONAL SHOE CO.

Jacken Johnson *Frank C. Rand*

Chairman of the Board.

President.

INTERNATIONAL

GENERAL BAL

As at Novemb

ASSETS

CURRENT ASSETS:

Cash in Banks and On Hand.....	\$ 11,191,868.80	
Accounts Receivable:		
Customers, less Reserve for Discounts and Doubtful Accounts.....	\$18,886,783.42	
Salesmen's Traveling Advances and Sundry Accounts.....	148,734.74	
Notes Receivable.....	94,226.00	19,129,744.16
Inventories:		
Manufactured Merchandise.....	10,143,995.10	
Raw Materials, Merchandise in Pro- cess, and Supplies.....	15,114,310.12	25,258,305.22
TOTAL CURRENT ASSETS.....		55,579,918.18
Loans and Advances to Employees, secured by Preferred and Common Stock of International Shoe Company.....		68,978.01
Expenses Paid in Advance—Insurance Premiums, Taxes, and Other Deferred Charges to Operations.....		184,301.68
Investments in Stocks and Bonds of Other Companies.....		203,328.62
Physical Properties at Tanneries, Shoe Fac- tories, Supply Departments, and Sales Branches:		
Land and Water Rights.....	\$ 857,923.25	
Buildings and Structures.....	11,508,683.07	
Machinery and Equipment.....	9,119,557.73	
TOTAL.....	21,486,164.05	
Less—Reserve for Depreciation.....	9,470,191.41	
Net Depreciated Cost of Physical Properties....		12,015,972.64
Goodwill, Trademarks, and Brands.....		12,750,000.00
TOTAL.....		\$ 80,802,499.13

SHOE COMPANY

BALANCE SHEET

December 30, 1924

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable for Merchandise, Expenses, and Payrolls.....	\$ 3,501,784.87
Officers and Employees Balances and Deposits.....	793,965.97
TOTAL.....	<u>4,295,750.84</u>
Reserve for Income Taxes.....	2,200,000.00
TOTAL CURRENT LIABILITIES.....	<u>6,495,750.84</u>

Reserve for Dividends on Preferred Stock.....	89,000.00
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CAPITAL STOCK:

Preferred, 8% Cumulative:

Authorized—250,000 shares of \$100 each, whereof outstanding 178,000 shares.....	\$ 17,800,000.00
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Common Stock:

Authorized—1,400,000 shares without nominal or par value, whereof issued and outstanding, 920,000 shares.....	56,417,748.29
TOTAL CAPITAL STOCK.....	<u>74,217,748.29</u>

TOTAL.....	<u>\$ 80,802,499.13</u>
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Notes Payable Outstanding—None.

Contingent Liabilities—None.

INTERNATIONAL SHOE COMPANY

INCOME ACCOUNT

For the year ended November 30, 1924

Net Sales of Shoes and Other Manufactured Merchandise after deducting Returns and Allowances for Prepayments	\$110,240,651.27
Cost of Shoes and Merchandise Sold, after charging Operating Expenses, Depreciation (\$938,086.06) and Maintenance of Physical Properties; Selling, Administrative, and Warehouse Expenses and Credit Losses;—Less Discounts on Purchases and Other Miscellaneous Earnings:.....	94,968,963.32
GROSS EARNINGS.....	15,271,687.95
Interest Charges on Notes Payable.....	148,424.07
NET EARNINGS.....	15,123,263.88
Provision for Income Taxes.....	2,062,468.66
NET INCOME FOR YEAR.....	\$ 13,060,795.22

COMMON STOCK CAPITAL ACCOUNT

Net Income for year ended November 30, 1924.....	\$ 13,060,795.22
Deduct Dividends Paid:	
Preferred Stock—\$8.00 per Share.....	\$ 1,424,000.00
Common Stock—\$4.00 per Share.....	3,680,000.00
	5,104,000.00
Excess of Net Income Over Dividends	7,956,795.22
Equity of Common Stockholders at November 30, 1923 against which 920,000 shares without nominal or par value were outstanding.....	48,460,953.07
Equity of Common Stockholders (920,000 shares) at November 30, 1924.....	\$ 56,417,748.29

MARWICK, MITCHELL & Co.

ACCOUNTANTS AND AUDITORS

CERTIFICATE OF AUDITORS

ST. LOUIS, Mo., December 22, 1924.

We have audited the accounts of the International Shoe Company, for the year ended November 30, 1924, and certify that the accompanying Balance Sheet properly presents, in our opinion, the financial position of the Company as at November 30, 1924, and the Income Account, the results of its operations for the year then ended.

The cash in banks and on hand has been verified by certificates received from the several depositories, while the notes and accounts receivable are stated after excluding all known uncollectible accounts, and after making suitable provision for discounts and doubtful debts. The inventories of manufactured merchandise, raw materials, supplies, etc., as prepared under the supervision of responsible officials of the Company, have been valued at net cash cost or market prices whichever were the lower at November 30, 1924.

The securities held as collateral against loans and advances, and the securities in respect of investments in other companies were produced for our inspection.

The expenditures on additions to the physical properties during the year have been verified by reference to properly authorized vouchers and other documents. Adequate charges against operations have been made in respect of depreciation and maintenance of the physical properties.

All liabilities of the Company at November 30, 1924, of which we have cognizance, are recorded in the Balance Sheet, including a full provision with respect to Income Taxes to that date.

MARWICK, MITCHELL & CO.

SALES BRANCHES

ST. LOUIS

Roberts, Johnson & Rand
Peters
Friedman-Shelby
Shoe Specialty Manfg. Co.
Continental Shoemakers

BOSTON

Hutchinson-Winch
Great Northern Shoe Co.
Interstate Shoe Co.

NEW YORK

Morse & Rogers

SHOE FACTORIES AND SUPPLY DEPARTMENTS

MISSOURI

St. Louis
Hickory St. & Mississippi Ave.
Broadway, Cherokee St. & Lemp Ave.
St. Louis & Jefferson Aves.
Thirteenth & Mullanphy Sts.
Twelfth & North Market Sts.
Jefferson Ave. & Madison St.
Glasgow Ave. & North Market St.
3417 Locust St.
1700 Morgan St.
Bland
Cape Girardeau
Chamois
De Soto
Hannibal
Seventh & Collier Sts.
Maple Ave. & Collier St.
Hermann
Higginsville
Jackson
Jefferson City
Bolivar & McCarty Sts.
Main & Linn Sts.
Kirksville
Marshall
Mexico
New Haven
Perryville
St. Charles
St. Clair
Sikeston
Sullivan
Sweet Springs
Vandalia
Washington

ILLINOIS

Alton
Belleville
Chester
Flora
Jerseyville
Lincoln
Mt. Vernon
Olney
Pittsfield
Springfield
Steeleville

NEW HAMPSHIRE

Claremont
Keene
Manchester
Central Plant
Cohas Factory
Eastside Factory
Derryfield Factory
Merrimack
Nashua
Newport
Suncook

KENTUCKY

Paducah

TANNERIES

ILLINOIS

South Wood River

NORTH CAROLINA

Morganton
North Wilkesboro

NEW HAMPSHIRE

Manchester

PENNSYLVANIA

Mt. Jewett
St. Marys

